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Government of Kerala
2026

Regn.No. KERBIL/2012/45073
dated 05-09-2012 with RNI
Reg No.KL/TV(N)/634/2021-2023

കേരള ഗസറ്റ്
KERALA GAZETTE
അസാധാരണം
EXTRAORDINARY

ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്
PUBLISHED BY AUTHORITY

വാല്യം 15
Vol. XV

തിരുവനന്തപുരം, ശനി
Thiruvananthapuram, Saturday

2026 ജനുവരി 31
31st January 2026
1201 മകരം 17
17th Makaram 1201
1947 മാഘം 11
11th Magha 1947

നമ്പർ
No. 394

GOVERNMENT OF KERALA

Taxes (B) Department

NOTIFICATION

G.O.(P) No.16/2026/TD. *Dated, Thiruvananthapuram, 30th January, 2026*
16th Makaram, 1201.

S. R. O. No. 119/2026

In exercise of the powers conferred by section 164 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017), the Government of Kerala, on the recommendations of the Council, hereby makes the following rules further to amend the Kerala Goods and Services Tax Rules, 2017, issued by notification under G.O.(P) No. 79/2017/TAXES. dated 30th June, 2017 and

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published as S.R.O. No. 377/2017 in the Kerala Gazette Extraordinary No. 1367 dated 30th June, 2017, namely:-

RULES

1. *Short title and commencement.*- (1) These rules may be called the Kerala Goods and Services Tax (Second Amendment) Rules, 2026.

(2) They shall come into force from 1st day of February, 2026.

2. *Amendment of the Rules.*- In the Kerala Goods and Services Tax Rules, 2017, after rule 31C, the following rule shall be inserted, namely:-

"31D. Value of supply of goods on basis of retail sale price.- (1) Notwithstanding anything contained in the provisions of this chapter, the value of supply of goods bearing the description specified in column (3), falling under the corresponding chapter/heading/ sub-heading/tariff item specified in column (2), of the Table below, shall be deemed to be the retail sale price declared on such goods, less the amount of tax as applicable, namely:-

TABLE

S. No.	***Chapter/ Heading/ Sub- heading/ Tariff item***	***Description of Goods***
(1)	**(2)**	**(3)**
1.	2106 90 20	Pan masala
2.	2401	Unmanufactured tobacco; tobacco refuse [other than tobacco leaves]
3.	2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
4.	2403	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences (other than biris)
5.	2404 11 00	Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion
6.	2404 19 00	Products containing tobacco or nicotine substitutes and intended for inhalation without combustion

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(2) The amount of applicable tax referred to in sub-rule (1) shall be determined in the following manner, namely:-

Tax amount = (Retail sale price X tax rate in % of applicable taxes) / (100+ sum of applicable tax rate).

***Explanation*.-** For the purposes of this rule,-

(a) "applicable tax" means IGST or CGST or SGST or UTGST as the case may be.

(b) "retail sale price" means the maximum price declared on goods at which such goods in packaged form may be sold to the ultimate consumer and includes all taxes, duties, surcharge or cess by whatever name called;

(c) where on the package of any specified goods more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price;

(d) where the retail sale price declared on packages of any specified goods is altered to increase the retail sale price at any stage before, during, or after the supply, such altered retail sale price shall be deemed to be the retail sale price;

(e) where different retail sale prices are declared on different packages for the sale of any specified goods above in packaged form in different areas, each such retail sale price shall be the retail sale price for the purposes of valuation of the specified goods intended to be sold in the area to which the retail sale price relates.".

3. in rule 86B, in the first proviso, after clause (e), the following clause shall be inserted, namely:-

"(f) the registered person other than a manufacturer shall be exempted from the provisions of this rule only in respect of goods specified under rule 31D, on which the tax has been paid by the supplier on the basis of retail sale price:".

By order of the Governor,
K.R. JYOTHILAL,
Additional Chief Secretary to Government.

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Explanatory Note

(This does not form part of the notification, but is intended to indicate its general purport.)

The Government have published the Kerala Goods and Services Tax Rules, 2017, by notification issued under G.O.(P) No.79/2017/TAXES. dated 30th June, 2017 and published as S.R.O. No.377/2017 in the Kerala Gazette Extraordinary No.1367 dated 30th June, 2017 for carrying out the purpose of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017). Now, the Government have decided to further amend the Kerala Goods and Services Tax Rules, 2017 incorporating the recommendations of the Goods and Services Tax Council.

The notification is intended to achieve the above object.

PUBLISHED BY THE SUPERINTENDENT OF GOVERNMENT PRESSES
AT THE GOVERNMENT CENTRAL PRESS, THIRUVANANTHAPURAM, 2026

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